

MEMORANDUM OF UNDERSTANDING
between the
STATE OF ALASKA
and the
DEPARTMENT OF COMMERCE
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION
NATIONAL MARINE FISHERIES SERVICE
regarding administration of the
PACIFIC COASTAL SALMON RECOVERY FUND
June 2005

I. Introduction

This Memorandum of Understanding (MOU) entered into by the State of Alaska, P.O. Box 25526, Juneau, Alaska 99802 (State) and the National Marine Fisheries Service (NMFS) Alaska Region, a federal agency within the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA) provides the basis for the orderly and effective allocation of funding from the federal Pacific Coastal Salmon Recovery Fund (PCSRF). NMFS and the State enter into this MOU in furtherance of 16 U.S.C. §3645(d). The Governor of Alaska has designated the Alaska Department of Fish and Game (Department) as the project manager to coordinate, as needed, the work of state agencies and advisory panels, and to execute the terms of this MOU.

II. Purpose and Scope

This MOU supercedes all previous versions. Changes to this MOU are intended to keep the agreement current. This MOU continues to set forth the State's strategy for the efficient allocation of funds for projects and activities and describes the process and criteria for selection of projects consistent with 16 U.S.C. 3645(d), PCSRF performance goals, and federal law. The State's strategy as outlined in this MOU is to fund projects identified by Congress and identify additional projects and activities eligible for funding under this program. The State will conduct a selection and award process and implement the project funding process in accordance with statutory guidance and the strategy outlined in this MOU.

The State will ensure PCSRF funds are allocated to projects for salmon habitat restoration, salmon stock enhancement, and salmon research, including construction of salmon research and related facilities, and for implementation of the 1999 Pacific Salmon Treaty Agreement and related agreements. The State is authorized to allocate a portion of any funds it receives from Congress under the PCSRF to eligible activities and entities outside Alaska.

The mission of the State of Alaska's PCSRF program is to sustain a healthy and biologically diverse wild salmon ecosystem and the human use of wild salmon in that ecosystem. To this end, projects will contribute to ensuring salmon populations are conserved, harvest levels are sustainable, habitat remains intact or is restored, and the fishing and the fishing industry continue. The following sections outline the process and project areas for use of these funds.

III. Project Selection Guidance

To meet the mission and goals of these funds and provide program guidance and recommendations, the State of Alaska will utilize a Science Coordination Panel and an Advisory Panel. These entities will identify priorities, needs, and opportunities for funding.

The State of Alaska will use an internal project review process to ensure all identified projects are consistent with 16 U.S.C. §3645(d), State statutes, and the goals and objectives laid out in this MOU. All decisions on project funding will be made solely by the State and are not subject to approval by NOAA. The Department will coordinate salmon research and recovery efforts and ensure the productive use of the PCSRF.

Science Coordination Panel

This panel consists of representatives of state and federal agencies, the University of Alaska, and the Exxon Valdez Oil Spill Trustee Council. For the purposes of this MOU the primary purposes of this Panel are: (1) to provide annual review of the sustainable salmon strategy for Southeast Alaska and related ecosystems; (2) to determine priorities for PCSRF funds for research and monitoring, and habitat restoration and stewardship, through a multi-agency gap analysis to determine what has been done, what projects are currently underway, and what needs to be done; and, (3) to provide recommendations for specific projects. This panel will meet as needed to develop and review the annual plan and determine priority projects to be recommended to the Commissioner of ADF&G for funding.

The annual review process provides opportunities for cooperation and coordination among the agencies and organizations and can foster agreement on common priorities for salmon research and monitoring, and habitat stewardship and restoration projects funded with these and other funds.

Advisory Panel

This panel consists of the commissioners of State agencies and other cabinet members, or their designees, whose responsibilities include representation of a diversity of stakeholder interests regarding Pacific salmon. The purpose of this panel is to provide direction for the program and processes for the increasing economic opportunities for salmon fishermen project areas discussed below. This panel will meet as needed to accomplish these tasks.

The Department and the Panels may be guided by the following factors, among others, to assure that the projects and activities funded are of the highest quality:

- **Anticipated Benefits:** Projects and activities will be evaluated based in part on their anticipated benefits. The types of anticipated benefits can vary widely among the various Project Areas identified below. Therefore, anticipated benefits for each project will be compared to anticipated benefits for projects proposed within the same Project Area.
- **Sound Planning and Peer Review of Research:** Research projects will be required to include Operational Plans that outline specific objectives and proposed methods. This process will promote best possible science and permit peer review.

- **Likelihood of Success:** Proposed projects will be judged for their likelihood of success in achieving stated objectives.
- **Coordination and Integration:** Coordination among all levels of government, the non-governmental sector, and across geographic scales is necessary to ensure integration with ongoing activities and the effective use of science for salmon recovery. Projects that integrate efforts will be preferred.
- **Leveraging Funding and Resources:** Preferred projects will leverage existing resources or bring other sources of funding.
- **Watershed Implementation:** Watershed-based efforts are critical to long-term salmon health and overall biodiversity and should be part of research and restoration programs.
- **Adaptive Management:** Projects and activities must include measurable objectives. Individually and collectively, projects and activities will be monitored and evaluated to determine their success in achieving intended outcomes. Projects will be adjusted as needed where results do not meet objectives.

IV. Project Areas

Activities funded are likely to be diverse considering the broad scope identified by Congress for use of these funds. The ADF&G will be funding projects in the following Project Areas.

Salmon Research and Monitoring

These funds will be used for projects such as: scientific assessments of the status of salmon stocks, with a focus on important salmon producing stream systems and transboundary rivers; harvest monitoring of salmon through studies using coded wire tags, sonar, and fish wheels to ensure adequate escapement, prevent over harvest of wild stocks, and conform with treaty agreements; research on the interaction of wild and enhanced salmon to ensure minimum impact of enhanced salmon on wild salmon; genetic studies; Chinook modeling study; and, baseline assessment of contaminants in salmon.

Salmon Habitat Stewardship and Restoration

These funds will be used for projects such as: fish passage remediation, including road, culvert, and bridge rehabilitation, with an initial focus on coho, Chinook, and sockeye watersheds; development of a GIS based database providing information on salmon habitat that is accessible through the web to agencies and the public; identification of anadromous fish streams; prioritization of restoration and research projects affecting salmon habitat; information concerning nearshore habitat conditions for salmon; road condition surveys; promoting and supporting community watershed stewardship; gauging and reserving water flows needed for salmon; and restoration of anadromous fish streams that have been severely degraded by human practices.

Salmon Enhancement - Increase Economic Opportunities of Southeast Alaska Salmon Fishing

These funds will be used to ensure continued viable salmon fisheries and a sustainable salmon fishing industry. Projects will include salmon stock enhancement, education, marketing, infrastructure development and outreach for fishermen and fishing communities in Alaska.

V. Congressionally Designated Projects

The State of Alaska through the Alaska Department of Fish and Game will manage and provide funding for designated PCSRF projects both inside and outside Alaska as directed by Congress. Congressionally designated projects will be subject to merit review and funding notwithstanding the Science Coordination or the Advisory Panel selection process.

VI. Administration

This MOU does not constitute a financial commitment on the part of any party. Financial support shall be subject to ordinary budgetary and administrative procedures of NMFS and the State. The transfer of funds from NOAA to the Department shall be accomplished using a federal financial assistance award.

The Department will disburse funds through written sub-agreements with funded applicants. All terms and conditions of sub-agreements with funded applicants shall be at the discretion of the Department, consistent with the financial assistance award and applicable federal and state law.

The Department may provide direct funding to State agencies, or enter into contracts or sub-awards to implement the priority recommendations. The Department may provide funding to federal agencies with prior approval of the NMFS Program Officer in accordance with the terms and conditions stipulated under the NOAA federal assistance award.

Existing State administrative processes will be used to ensure project accountability. The Department will enter into agreements with eligible entities based upon funding criteria consistent with the federal statutes and intent. The agreements will provide project description, reporting and monitoring requirements to ensure projects funded through this MOU are consistent with PCSRF authorizations and the NOAA federal assistance award document.

ADF&G agrees to provide documentation necessary for NMFS to determine the appropriate level of environmental analysis as required by NEPA. This authority provides ADF&G allowance to expend project funding for such work. Recipients may contract with NMFS for NEPA analysis as required.

The State will supplement federal funds with existing State salmon project expenditures, and in-kind and cash contributions from non-State entities.

The State of Alaska recognizes the need to keep administrative expenses to a minimal amount and will strive to not exceed 3% of funding for administrative costs in receiving, keeping track of and providing financial reporting on these funds.

Execution of this MOU does not imply any authorization of incidental "take" of listed species under the Endangered Species Act. ADF&G will require all sub awards made for projects and activities under this MOU to comply with local, state, and federal permitting requirements.

The contact persons for all communications and notices regarding the performance of this MOU are:

For National Marine Fisheries Service:

Alex Wertheimer
NOAA/NMFS - Alaska Region
P.O. Box 21668
Juneau, AK 99802-1668

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Juneau, AK 99802-1668

Joe Scordino
PCSRF Administrator
NOAA/NMFS
7600 Sand Point Way
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For State of Alaska:

Grant Administration:

Linda Perez
Administrative Director
Office of the Governor
P.O. Box 110001
Juneau, Alaska 99811-0001

Administration Issues:

Tom Lawson
Director of Administration
Department of Fish and Game
P.O. Box 25526
Juneau, AK 99802-5526

Program Development:

Sue Aspelund
Special Assistant – Office of the Commissioner
Department of Fish and Game
P.O. Box 25526
Juneau, AK 99802-5526

The Department and NMFS agree to notify one another of any change to the listing of contact persons.

VII. Performance and Other Reporting, and Monitoring

NMFS will be provided with semi-annual progress reports, final reports, other reports as agreed upon, and copies of all reports published and distributed to the public by the Department that are funded by this grant.

Projects funded under this MOU will conform with the PCSRF performance goals and objectives. The PCSRF performance metrics for each project will be reported into the PCSRF database in the structure and format set forth in the database as it exists on 6/1/05, consistent with the performance goals stated in Attachment 1. Future changes to the database metrics will be mutually agreed to by NMFS and ADF&G.

ADF&G will update the NMFS PCSRF database as new or modified project information becomes available, or as least quarterly, so the PCSRF database contains accurate descriptions and performance metrics for all completed, ongoing, and proposed projects. On a quarterly basis, ADF&G will download and complete the PCSRF fiscal verification report and submit it to the NMFS PCSRF Administrator.

To the extent practicable, ADF&G will continue to seek project metrics data for those projects undertaken prior to FFY 03 so as to provide as much program information as possible.

VIII. Amendments and Termination

This MOU shall be in effect as of the date it is signed by all parties and is subject to review every five years or sooner by agreement of the parties. This MOU may be amended, or extended beyond its original term, by written agreement between the State and the Regional Administrator of the NMFS.

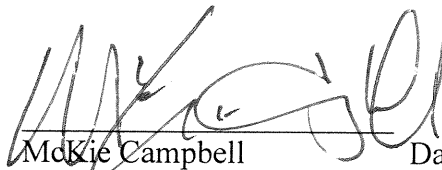
Nothing herein is intended to conflict with current Department of Commerce or NOAA/NMFS directives. If the terms of this agreement are inconsistent with existing directives of either of the agencies entering into this agreement, then those portions of this agreement which are determined to be inconsistent shall be invalid, but the remaining terms and conditions not affected by the inconsistency shall remain in full force and effect. At the first opportunity for review of the agreement, all necessary changes will be accomplished either by an amendment to this agreement or by entering into a new agreement, whichever is deemed expedient to the interest of both parties.

Should disagreement arise on the interpretation of the provisions of this agreement, or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement on interpretation is not reached within thirty days, the parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

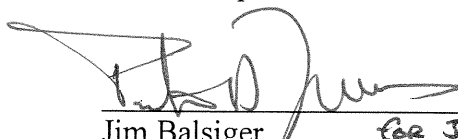
This MOU is not intended to confer benefits upon, or be subject to enforcement by third parties.

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this MOU unless stated to be such in writing and signed by the Commissioner of the Alaska Department of Fish and Game and the Alaska Region, NMFS Regional Administrator or their designee.

IX. Signatories:

 6/8/05

McKie Campbell Date
Commissioner
Alaska Department of Fish and Game

 6-8-05

Jim Balsiger *for JB* *ACTING* Date
Regional Administrator
Alaska Region, NMFS

Pacific Coastal Salmon Recovery Fund

Performance Goals and Reporting Metrics

June 1, 2005

I. INTRODUCTION

The Pacific Coastal Salmon Recovery Fund (PCSRF) was established by Congress in FY 2000 to provide grants to the States and Tribes to assist state, local, and tribal salmon conservation and recovery efforts. The PCSRF was requested by the Governors of the States of Washington, Oregon, California, and Alaska in response to Endangered Species Act (ESA) listings of west coast salmon populations as well as the harvest restrictions placed on Southeast Alaskan fishers through the 1999 Pacific Salmon Treaty Agreement. (Note: "salmon" in this document refers to Pacific salmon and steelhead populations)

This document identifies performance goals for the PCSRF along with a set of consistent performance reporting metrics. Aggregation of these project level reporting metrics, combined with larger scale watershed and subbasin assessments and results from monitoring and evaluation efforts, will allow (over the long term) an assessment of program effectiveness in terms of increased numbers of salmon.

Recovery of sustainable salmon populations will likely take decades and require a substantial investment over several salmon life cycles. Nonetheless, it is important to track the work accomplished by current investments and measure activities and changes on an regular basis (i.e., annually). Establishing consistent performance reporting metrics across all states will allow for accountable reporting on investments of PCSRF funds, and begin to identify the long term data sets needed to determine the effectiveness of the program.

The specificity of the goals and reporting metrics contained herein are indicative of the current status of the program. Over time, knowledge gained from watershed and subbasin plans and assessments that identify factors limiting production of fish (limiting factors) will contribute to the ability to set more specific goals against which performance can be reported. In some watersheds, the knowledge to develop specific goals already exists and only need to be documented, while others will require assessments before such specific goals can be developed. The reporting metrics and performance measures will therefore be revised as the program develops to reflect increased knowledge and data availability so that the effectiveness and outcomes of investments can be tracked and the cumulative effects of multiple projects can be assessed over time.

II. OBJECTIVES AND PERFORMANCE GOALS FOR PCSRF

The PCSRF has an overarching goal of contributing to the conservation, restoration, and sustainability of Pacific salmon and their habitat. Within this goal, there are five program objectives described below that represent the categories of projects funded with PCSRF funds: 1) salmon habitat protection and restoration, 2) watershed and sub-basin planning and assessments, 3) salmon enhancement, 4) salmon research, monitoring and evaluation, and 5) public outreach and education. Investments in each of these objectives will be measured against the applicable performance goal(s).

1. **Salmon Habitat Protection and Restoration:** Implement habitat protection or improvements that protect and restore ecosystem characteristics and processes and address priority factors limiting or threatening salmon production. Activities include "on-the-ground" projects that protect, preserve, restore, and enhance salmon habitat and watershed functions; and property acquisitions for conserving salmon habitat.

Performance Goals:

- 1.A. **Habitat protection and restoration projects will contribute to increased and sustainable salmon populations by improving or maintaining salmon habitat.**
- 1.B. **Habitat protection and restoration projects will address limiting factors as identified in watershed/sub-basin plans or assessments.**
2. **Watershed and Sub-basin Planning and Assessment:** Develop comprehensive plans or reports (e.g., sub-basin plans, recovery plans, watershed assessments, habitat inventory reports) that 1) identify and prioritize threats to native salmon restoration and recovery, and 2) address measures and actions on a priority basis needed to eliminate those threats. Activities include recovery planning and assisting with or utilizing Technical Recovery Team (TRT) products, watershed assessments including mapping/inventory for plans, sub-basin, planning, development of habitat inventory reports, support for watershed councils, and organizational infrastructure and staffing for local conservation groups and tribal entities.

Performance Goals:

- 2.A. **Projects will contribute to an increase in local and tribal capacity to develop and implement watershed/sub-basin plans.**
- 2.B. **Sub-basin plans will be based on technical assessments that identify threats and specific factors limiting production of salmon populations and include 1) an inventory of existing activities; 2) an evaluation of efforts needed to address limiting factors; and, 3) a prioritized list of strategies and actions to improve the management, protection, restoration, and conservation of salmon populations.**
3. **Salmon Enhancement:** Conduct activities that 1) enhance depressed stocks of naturally spawning anadromous salmon species through hatchery supplementation; 2) reduce fishing effort on depressed wild stocks; and/or 3) enhance salmon fisheries on healthy stocks in Alaska.

Performance Goals:

- 3.A. **Projects will contribute to rebuilding weak stocks and/or enhancing and sustaining healthy salmon populations.**
- 3.B. **Projects will contribute to improving the sustainability of salmon fisheries.**

4. **Salmon Research, Monitoring, and Evaluation:** Conduct salmon research and monitoring to 1) assess watershed health and salmon status; 2) monitor and evaluate PCSRF projects; 3) validate the effectiveness of protection and restoration projects; and, 4) implement data requirements of the 1999 Pacific Salmon Treaty Agreement. At least ten percent of the PCSRF funds should be expended on monitoring and evaluation projects.

Performance Goals:

- 4.A. **Research projects will contribute to the basic understanding of stock condition and abundance and habitat attributes necessary for various life history stages.**
- 4.B. **Monitoring and evaluation projects will contribute to the ability to determine the effectiveness of salmon conservation and recovery efforts.**
- 4.C. **Monitoring projects will be coordinated as part of a comprehensive monitoring strategy or program.**
5. **Public Outreach and Education:** Educate constituencies on the value of, and actions taken, for conservation, restoration and sustainability of healthy salmon runs and their habitat through workshops, forums, preparation of educational materials, and training activities that encourage citizen participation.

Performance Goal:

- 5.A. **Projects will improve the public's understanding of their impacts on salmon sustainability.**

III. PERFORMANCE REPORTING METRICS

Performance reporting metrics provide the means to consistently report project results by the various entities that receive PCSRF grants. Consistency in reporting will enable NOAA Fisheries to aggregate State and Tribal project data to develop an accurate picture of salmon recovery, conservation, and enhancement efforts under the PCSRF program. Not all metrics will apply to all projects, but grantees must report on the performance metrics that do apply to each project.

The metrics detailed in the PCSRF database as of 6/1/05 will be utilized for purposes of this MOU unless changes are mutually agreed to by NMFS and ADF&G.